

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE UNION LIGHT, HEAT)	
AND POWER COMPANY FOR APPROVAL OF)	CASE NO.
NATURAL GAS PURCHASE HEDGING PLAN)	2003-00151
FOR THE 2003-2004 HEATING SEASON)	

ORDER

On May 17, 2004, The Union Light, Heat and Power Company ("ULH&P") filed a report on its natural gas hedging program for the 2003-2004 winter heating season in compliance with the Commission's June 19, 2003 Order in this proceeding. The report describes ULH&P's hedging strategy and purchasing decisions for hedging transactions consummated during the period ended March 31, 2004. It also provides summaries of natural gas market conditions and various winter 2003-2004 natural gas price forecasts during the period ULH&P was entering into its hedging transactions. Finally, the report describes the results of ULH&P's hedging transactions for the 2003-2004 winter.

Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that ULH&P's report on its 2003-2004 hedging plan should be accepted.

IT IS THEREFORE ORDERED that:

1. ULH&P's report on its 2003-2004 hedging activities is accepted as filed.
2. This case is closed and shall be removed from the Commission's docket.
3. ULH&P's filing of its report on its 2004-2005 hedging activities shall initiate a new case.

Done at Frankfort, Kentucky, this 8th day of June, 2004.

By the Commission

ATTEST:


Executive Director